

**Department of Personnel Administration  
Memorandum**

**TO: Personnel Management Liaisons (PML)**

<b>SUBJECT:</b> 2008 Open Enrollment Period for Dental, FlexElect, and Consolidated Benefits (CoBen) Programs, 2009 Dental and Vision Plan Premiums, and 2009 CoBen Allowance Amounts	<b>REFERENCE NUMBER:</b> 2008-029
<b>DATE ISSUED:</b> 09/10/08	<b>SUPERSEDES:</b>

This memorandum should be forwarded to:

**Personnel Officers  
Personnel Transactions Supervisors  
Personnel Transactions Staff**

**FROM:** Department of Personnel Administration  
Benefits Division

**CONTACT:** Bryan Bruno, Staff Personnel Program Analyst  
(916) 445-9841  
Fax: (916) 322-3769  
Email: BryanBruno@dpa.ca.gov

This memo provides important information on the 2008 Open Enrollment for the Dental, FlexElect, and CoBen Programs, 2009 Dental and Vision plan premiums, and 2009 CoBen allowance amounts. Please make sure your employees know about the open enrollment period and the information contained in this memo. The Department of Personnel Administration (DPA) recently mailed dental open enrollment information to State retirees, annuitants, and COBRA enrollees.

We've attached items for you to distribute to your employees:

Attachment A - Memorandum to All State Employees (Open Enrollment)

Attachment B - Dental Plan Options and Benefit Cost Comparison

Attachment C - 2009 Dental and Vision Plan Premiums

Attachment D - 2009 Dental and Vision COBRA Group Continuation Coverage Premiums

**OPEN ENROLLMENT**

Open Enrollment for Dental, FlexElect, and CoBen is September 15, 2008 through October 10, 2008. Enrollments/changes during this period are effective January 1, 2009. For Dental, eligible employees may enroll, cancel, or change plans, and add/delete dependents. For FlexElect and CoBen, eligible employees may enroll, cancel, or change their current options.

No action is necessary for currently enrolled employees who don't want to change their FlexElect Cash Option, CoBen Cash Option, and/or dental enrollment. However, Permanent Intermittent (PI) employees must re-enroll in the FlexElect/CoBen Cash Option during open

enrollment if they want to remain in the program next year. Additionally, employees who want to continue enrollment next year in a FlexElect Reimbursement Account must re-enroll during open enrollment.

### **Completing the Open Enrollment Forms**

Use the following information to complete open enrollment forms:

Permitting Event Date: Dental/FlexElect/CoBen Cash – 9/15/08

Effective Date: Dental/FlexElect/CoBen Cash – 1/1/09

Permitting Event Codes:

Dental

03 – New Enrollment

15 – Add/Delete Dependent(s) (May use one form for this type of transaction)

28 – Change of Plan

29 – Change of Plan and Add/Delete Dependent(s) (May use one form for this type of transaction)

FlexElect/CoBen – Leave Permitting Event Code Blank

Deadlines:

- |          |   |
|----------|---|
| 10/10/08 | Last day for employees to sign and submit open enrollment forms to Personnel Offices.   |
| 10/27/08 | Last day for enrollment forms to be received in Personnel Offices (as shown on enrollment forms).   |
| 11/3/08  | Last day for receipt by the State Controller's Office (SCO) of all open enrollment forms from Personnel Offices.  |
| 12/5/08  | Last day for receipt by SCO of open enrollment forms returned to departments for correction (in order to be reflected on the 1/1/09 pay warrant).   |
| 1/12/09  | Last day for receipt by SCO of FlexElect and CoBen open enrollment forms reflecting cancellation and/or changes (forms signed/submitted to Personnel Office by 12/31/08). The effective date will be retroactive to 1/1/09. |

Employees who enroll in or make changes to their dental coverage during the open enrollment period may cancel or change their election until 10/10/08. A new STD. 692 must be completed and signed by the employee by 10/10/08. It is not an option to rescind a

dental enrollment/change by submitting a copy of the original STD 692 marked "rescind". In the remarks section of a new STD. 692 indicate the type of action taken and attach a copy of the original form that was previously sent to SCO during the open enrollment period. Employees may not cancel or change a dental election after the end of the open enrollment period unless they experience a valid change in status.

Employees who enroll in or make changes to their FlexElect/CoBen election during the open enrollment period and employees, who are automatically reenrolled into the Cash Option, are allowed by Internal Revenue Code 125 to cancel or change their elections until 12/31/08. A new STD. 701C, STD. 701R, or STD 702 must be completed and signed by the employee by 12/31/08. Once the new plan year begins, employees may not cancel or change their FlexElect/CoBen enrollment unless they experience a valid change in status.

Retroactive premiums for mandatory cancellations and/or deletions to employees' dental coverage will be reimbursed for a maximum period of six months. This limitation impacts all mandatory cancellations and/or deletions to employees' State-sponsored dental coverage. You may want to have your employees check their dental coverage and ensure that only eligible dependents are enrolled.

Eligible employees, who are off active pay status during the entire open enrollment period, may contact their Personnel Office during the open enrollment period to make changes in their dental enrollment or may wait and make changes within 60 days after returning to active pay status.

## **DENTAL PROGRAM**

DPA contracts with Delta Dental, DeltaCare USA, and SafeGuard to provide dental insurance for eligible:

1. rank and file employees (except those in Bargaining Unit (BU) 6 who pay union dues);
2. excluded employees; and
3. retirees/annuitants.

The California Association of Highway Patrolmen (CAHP) offers its own indemnity dental plan to BU 5 employees who are CAHP members, but its members may opt to enroll in a State-sponsored prepaid plan. The California Correctional Peace Officers Association (CCPOA) provides dental insurance to BU 6 employees who are dues paying CCPOA members. Represented employees in BU 5 and 6 should be advised to contact their Benefit Trust for information regarding their union-sponsored dental plan premiums and benefits. Dental premiums for union-sponsored plans are listed on Attachment C.

## **Restriction on Enrollment in Delta Dental Plans**

Except as noted below, employees must enroll in a State-sponsored prepaid dental plan during their first 24 months of State service. At the end of this 24-month period, employees who wish to enroll in the Delta Dental Premier or Delta Dental Preferred Provider Option (PPO) plan have 60 days to do so. Those employees who chose not to enroll in a prepaid

plan may elect Delta Dental, within 60 days after completing the restriction period, unless they enrolled in the FlexElect or CoBen cash option for dental. This enrollment is available outside the open enrollment period.

The following employees are **not** subject to the 24-month restriction:

1. represented employees in BUs 2, 7, 8, 16, 17, 18, and 19;
2. excluded employees; and
3. employees who were previously State employees for 24 consecutive months without a permanent break in service during the 24 months.

### **CCPOA Dental Plan Restriction**

Employees in BU 6 who are restricted to the union-sponsored prepaid plan, Western Dental, must complete 12 months in the prepaid plan before they are allowed to enroll in the union-sponsored indemnity dental plan, Primary Dental. At the end of this 12-month period, employees have 60 days to enroll in the union-sponsored indemnity dental plan if they want to. This enrollment is available outside of the open enrollment period.

### **CAHP Dental Plan Restriction**

Employees in BU 5 who are restricted to a State-sponsored prepaid dental plan must complete 24 months of State service before they are allowed to enroll in the union-sponsored indemnity Blue Cross Dental Plan. At the end of this 24-month period, employees have 60 days to enroll in their union-sponsored Blue Cross Dental plan if they want to. This enrollment is available outside of the open enrollment period.

### **Delta Dental 2009 Premiums**

Delta Dental premiums will not increase for the Delta Premier plan and the Delta Preferred Provider Option (PPO) dental plan effective January 1, 2009. The charts on page 5 and 6, and Attachments C and D show Delta's dental premiums that go into effect January 1, 2009.

### **Impact on Employees Not in Consolidated Benefits**

Employees not in Consolidated Benefits (CoBen), who are enrolled in the Delta Premier plan, and Delta PPO plan, will see no increase in their out-of-pocket premium on their January 1, 2009, pay warrant (December 2008 pay period).

### **Impact on Employees in Consolidated Benefits**

Represented employees in BUs 2, 7, 8, 16, 17, 18, and 19, and excluded employees are in CoBen. Employees in CoBen pay the total dental premium with their CoBen benefit allowance. For employees enrolled in the Delta Premier plan and Delta PPO plan, the increased dental premium will result in a higher amount deducted from their monthly CoBen allowance on their January 1, 2009, pay warrant (December 2008 pay period).

For employees in CoBen, the State's share and employee's share do not apply. Therefore, when you complete their dental forms, use the total premium amount as the amount deducted from their CoBen allowance.

**Delta Dental Premiums effective January 1, 2009:**

**Delta Dental Premier Basic Plan for Represented Employees**

<b>Coverage</b>	<b>2009 Total Premium</b>	<b>State Share</b>	<b>2009 Employee Share</b>	<b>Employee Share <u>Increase</u></b>
Employee only	\$48.07	\$36.05	\$12.02	\$0.00
Employee plus one dependent	\$85.12	\$63.84	\$21.28	\$0.00
Employee plus two or more dependents	\$123.75	\$92.81	\$30.94	\$0.00

**Delta Dental Premier Enhanced Plan for Excluded Employees**

<b>Coverage</b>	<b>2009 Total Premium</b>
Employee only	\$50.06
Employee plus one dependent	\$100.08
Employee plus two or more dependents	\$141.22

**Delta Dental Preferred Provider Option (PPO) for Excluded and Represented Employees**

<b>Coverage</b>	<b>2009 Total Premium</b>	<b>State Share</b>	<b>2009 Employee Share</b>	<b>Employee Share <u>Increase</u></b>
Employee only	\$40.87	\$30.65	\$10.22	\$0.00
Employee plus one dependent	\$80.65	\$60.49	\$20.16	\$0.00
Employee plus two or more dependents	\$121.98	\$91.48	\$30.50	\$0.00

### **Prepaid Dental Plan 2009 Premiums**

Premiums for DeltaCare USA will not change in 2009. Premiums for SafeGuard plans will increase. The State will continue to pay 100 percent of the premium for employees not in CoBen. For employees in CoBen, when you complete their dental forms, use the total premium amount as the amount deducted from their CoBen allowance.

The following chart and Attachments C and D show the prepaid plans' dental premiums that go into effect January 1, 2009.

<b>Coverage</b>	<b>SafeGuard Standard</b>	<b>SafeGuard Enhanced</b>	<b>DeltaCare USA</b>
Employee only	\$15.87	\$15.52	\$17.35
Employee plus one dependent	\$25.70	\$26.27	\$28.47
Employee plus two or more dependents	\$36.00	\$32.36	\$39.38

### **Evidence of Coverage (EOC) Booklets, Participating Dentist Lists, and Membership Cards**

You may want to request a small supply of EOC booklets and participating dentist lists from the dental plans to have available in your Personnel Office for employees. Advise employees in BU 5 and 6 to contact their Benefit Trust for information on claim forms, EOCs, participating dentist lists, or membership cards.

### **Affidavit for Domestic Partners Being Claimed As Economic Dependent (DPA 680)**

As a reminder, the Affidavit for Domestic Partners Being Claimed as Economic Dependents (DPA 680 rev. 12-2002) form must be completed and retained in the employee's personnel file for employees who enroll domestic partners as dependents on their State dental and/or health plans. The value of the additional benefits received by a domestic partner will be added to an employee's taxable income. All employees adding a new spouse must complete the Affidavit for Employees – Gender Verification of Married Persons and Notice of Imputed Tax (DPA 880 New 06-2008). Both forms are available on DPA's Web site at [www.dpa.ca.gov](http://www.dpa.ca.gov) in the forms directory, with the completed form being retained in the employee's personnel file. Do not send these forms to SCO.

For more information regarding the purpose of the DPA 680 or DPA 880, you should refer to the Benefits Administration Manual (BAM) Dental Section 500.

### **FLEXELECT**

Employees who enroll in any FlexElect Option during the open enrollment period and employees who are automatically re-enrolled in FlexElect Cash Option have until

December 31, 2008, to cancel their enrollment or make changes. The 2009 FlexElect handbook is available and can be downloaded from DPA's Web site at [www.dpa.ca.gov](http://www.dpa.ca.gov) (click on Publications). You should refer to BAM Section 700 for information regarding FlexElect and processing instructions for open enrollment forms.

DPA mails an open enrollment notification to the homes of employees currently enrolled in a FlexElect Reimbursement Account, as a reminder that they must re-enroll during open enrollment if they want to participate in a reimbursement account in 2009. As in the past, DPA sends Personnel Offices a list of employees in your department who are enrolled in a 2008 FlexElect Reimbursement Account. Where possible, we mail the listing to the appropriate field office. You may want to send the employee(s) a reminder that they must re-enroll during open enrollment if they want to participate in a reimbursement account in 2009.

When an employee wants to cancel his/her Cash Option enrollment and re-enroll in dental and/or medical coverage, the Personnel Office needs to ensure that a Cash Option cancellation form is attached to the dental and/or medical enrollment form for SCO processing.

### **CONSOLIDATED BENEFITS**

All excluded employees and represented employees in BUs 2, 7, 8, 16, 17, 18, and 19 are in CoBen.

### **Health Dependent Vesting Criteria and Employee CoBen Allowance Amounts**

New employees who have never had State health benefit eligibility may be subject to health dependent vesting. Employees in bargaining units that have contracted for health dependent vesting are provided with 50 percent of the employer dependent contribution the first 12 months, and 75 percent of the employer dependent contribution for months 13 through 24. After 24 months, these employees will receive the full employer dependent contribution applicable to their bargaining unit. Please refer to the appropriate collective bargaining agreement for specific criteria for determining if an employee is subject to health dependent vesting.

As of the date of this PML, the following CoBen allowance amounts will be effective January 1, 2009. However, the collective bargaining process is fluid and changes may be agreed to which alter these amounts. DPA will notify departments if there are subsequent changes to these rates. Additionally, many union contracts have expired and these rates may be subject to change through the collective bargaining process and are subject to Budget approval. Although we anticipate that these will be the final rates, any future changes will be posted to DPA's Web site at [www.dpa.ca.gov](http://www.dpa.ca.gov).

Following are the CoBen allowance amounts effective January 1, 2009, for employees in BUs 2, 7, 8, 16, 17, 18, and 19.

**The CoBen allowances for BU 2 employees who are not subject to health dependent vesting are as follows:**

<b>Unit 2</b>	<b><u>2009</u></b>
Employee only	\$439
Employee plus one dependent	\$836
Employee plus two or more dependents	\$1,084

**The CoBen allowances for BU 2 employees who are subject to health dependent vesting are as follows:**

<b>Unit 2</b>	<b>50% Vesting <u>2009</u></b>	<b>75% Vesting <u>2009</u></b>
Employee only	\$439	\$439
Employee plus one dependent	\$651	\$744
Employee plus two or more dependents	\$790	\$937

**The CoBen allowances for BU 7 and 18 employees who are not subject to health dependent vesting are as follows:**

<b>Units 7 and 18</b>	<b><u>2009</u></b>
Employee only	\$416
Employee plus one dependent	\$813
Employee plus two or more dependents	\$1,061



**The CoBen allowances for BU 7 and 18 employees who are subject to health dependent vesting are as follows:**

<b>Units 7 and 18</b>	<b>50% Vesting <u>2009</u></b>	<b>75% Vesting <u>2009</u></b>
Employee only	\$416	\$416
Employee plus one dependent	\$628	\$721
Employee plus two or more dependents	\$767	\$914

**The CoBen allowances for BU 16, 17, and 19 employees who are not subject to health dependent vesting are as follows:**

<b>Units 16, 17, and 19</b>	<b><u>2009</u></b>
Employee only	\$427
Employee plus one dependent	\$837
Employee plus two or more dependents	\$1,096

**The CoBen allowances for BUs 16, 17, and 19 employees who are subject to health dependent vesting are as follows:**

<b>Units 16, 17, and 19</b>	<b>50% Vesting <u>2009</u></b>	<b>75% Vesting <u>2009</u></b>
Employee only	\$427	\$427
Employee plus one dependent	\$646	\$741
Employee plus two or more dependents	\$790	\$943

**The following CoBen Unit does not have health dependent vesting:**

<b>Unit 8</b>	<b><u>2009</u></b>
Employee only	\$450
Employee plus one dependent	\$861
Employee plus two or more dependents	\$1,120

**The CoBen allowance for Excluded employees is determined by DPA. Effective January 1, 2009, the CoBen allowances for all excluded employees are as follows:**

	<b><u>2009</u></b>
Employee only	\$452
Employee plus one dependent	\$872
Employee plus two or more dependents	\$1,133

Employees who enroll in CoBen Cash during the open enrollment period and employees who are automatically re-enrolled in CoBen Cash have until December 31, 2008, to cancel their enrollment or make changes.

When an employee wants to cancel his/her Cash Option enrollment and re-enroll in dental and/or medical coverage, the Personnel Office needs to ensure that a Cash Option cancellation form is attached to the dental and/or medical enrollment form for SCO processing.

The 2009 CoBen handbook is available and can be downloaded from DPA's Web site at [www.dpa.ca.gov](http://www.dpa.ca.gov) (click on Publications). You should refer to the Benefits Administration Manual Section 1600 for information regarding CoBen and processing instructions for open enrollment forms.

### **CoBen Calculator**

The CoBen Calculator on DPA's Web site will help employees determine how much they want to be deducted from their paycheck, or added to it, based on which health and dental plans chosen. Employees simply click on their health and dental plan choices, and how many dependents will be covered.

The calculator automatically computes the total cost of the benefits selected and subtracts them from the CoBen allowance. The result shows whether the employee will have a monthly benefit deduction or receive extra cash. There are two separate calculators, one for excluded employees and another for rank and file employees in

BUs 2, 7, 8, 16, 17, 18, and 19. The CoBen calculator is located at [www.dpa.ca.gov](http://www.dpa.ca.gov) (click on Benefits and then click on Consolidated Benefits).

## **VISION PROGRAM**

The premium paid to Vision Service Plan (VSP) for vision coverage for active employees will remain at the current rate of \$9.19 and will continue to be fully paid by the State. State employees' vision coverage is automatically established for employees and their eligible dependents and no form is required to enroll, add, or delete dependents during open enrollment. Therefore, employees need to continue to ensure that only eligible dependents are provided services under their State-sponsored vision plan.

## **RETIREE VISION PROGRAM**

VSP will notify State retirees and annuitants regarding the Retiree Vision Program Annual Open Enrollment Period, which will coincide with the open enrollment period for Health, FlexElect, CoBen, and Dental benefits. VSP will process all Retiree Vision open enrollment transactions.

## **PERSONNEL OFFICES**

Your assistance in the following areas will be appreciated and will help make this open enrollment period successful:

- (1) provide a copy of the attached open enrollment memorandum to all employees (Attachment A);
- (2) make Dental, FlexElect, and CoBen Program material available or advise employees how to obtain such material;
- (3) assist employees in completing enrollment/change forms, review, and submit enrollment forms by the due dates listed in this memo; and
- (4) send completed enrollment forms and packages to SCO.

Please help your employees who have questions regarding open enrollment for the Dental, FlexElect, or CoBen Programs. If you need assistance to answer your employees' questions, please call Bryan Bruno, Staff Personnel Program Analyst, at (916) 445-9841.

/s/Greg Beatty

Greg Beatty, Chief  
Benefits Division

Attachment(s)